

## **FREQUENTLY ASKED QUESTIONS**

The following questions and answers are provided for your information and guidance. If you are uncertain about any question or the answer to it, you may contact:

**Employees Retirement System  
Suite 900  
1114 Market Street  
St. Louis, MO 63101  
(314) 622-3560**

### **ADMINISTRATION OF THE SYSTEM**

1. Q. ***Who operates the Retirement System?***  
  
A. Policies and final decisions are made by a six-member Board of Trustees. The Secretary and staff handle the day-to-day administration.
2. Q. ***Who comprises the Board of Trustees?***  
  
A. The Mayor appoints two Trustees, the Comptroller is an ex officio member, two are elected by and from the active membership and one Trustee is elected by and from the retirees of the System.
3. Q. ***How long is a Trustee's term?***  
  
A. Two years.

### **MEMBERSHIP**

4. Q. ***What "Employers" are covered by the Employees Retirement System?***  
  
A. The City of St. Louis, as a city and as a county  
St. Louis Public Library  
St. Louis Art Museum  
St. Louis Zoological Park  
St. Louis Water Division  
Lambert-St. Louis International Airport  
Tower Grove Park  
Mental Health Board  
St. Louis Metropolitan Taxicab Commission  
Metropolitan Police Department Civilian Employees  
Police Retirement System of St. Louis  
Firemen's Retirement System of St. Louis  
Employees Retirement System of St. Louis

5. Q. ***What employees are eligible for membership in the City of St. Louis Retirement System?***

A. All employees of the specified Employers, except those excluded under the *MEMBERSHIP* section.

6. Q. ***When does a new employee become a member of the Retirement System?***

A. An eligible employee becomes a member of the Retirement System upon employment.

7. Q. ***When does membership terminate?***

A. Membership ceases upon termination of employment by resignation, discharge, death, retirement, layoff or if, for any reason except military service, you are not on the payroll for more than twelve consecutive months.

#### **COST OF THE SYSTEM**

8. Q. ***How is the Retirement System funded?***

A. The Retirement System is funded by Employer contributions and earnings on investments.

9. Q. ***How much does an Employer contribute to the Retirement System?***

A. Employers contribute at a rate determined annually by the Actuary and certified by the Board of Trustees.

10. Q. ***What deductions are made from my salary for the Retirement System?***

A. None. The Retirement System has been non-contributory since 1977.

11. Q. ***What is done with the money the Retirement System receives?***

A. The money is used to pay benefits and expenses, and to build accumulated reserves for future liabilities of the Retirement System.

## CREDITABLE SERVICE

12. Q. ***What constitutes Creditable Service?***
- A. Creditable Service is the number of completed months of eligible service during which you receive compensation, beginning on the first day of the month following employment.
13. Q. ***If I have several periods of employment, do these count towards Creditable Service?***
- A. Once you accrue five years of continuous Creditable Service following re-employment, your prior period(s) of service will be combined. Various ordinances may apply allowing you to combine service sooner.
14. Q. ***Will I get Creditable Service while on approved Family Medical Leave (FMLA)?***
- A. Yes, but only for eligibility purposes.
15. Q. ***Will I get Creditable Service while on a non-FMLA leave of absence?***
- A. No.
16. Q. ***Can I get Creditable Service while in the Military Service?***
- A. Yes, if you enter the military service directly from your job and return to your employment within 90 days after being discharged.
17. Q. ***Will I receive Creditable Service for my sick leave balance at termination of employment?***
- A. Yes, if you are eligible for retirement at time of termination of employment and you have not been otherwise compensated for your sick leave, it will be converted to Creditable Service. Your sick leave balance does not affect Creditable Service if you are not eligible for retirement at time of termination of employment.
18. Q. ***Can I use sick leave to qualify for retirement?***
- A. Yes.

19. Q. ***Can I receive Creditable Service for prior employment covered under another retirement plan?***

A. Yes, if you are vested in the City Retirement System, you may purchase service credit for prior non-federal, public sector employment in the state of Missouri by using your own money and/or using the value of your retirement benefit in your prior retirement plan, if that plan has an agreement with the City.

#### **NORMAL SERVICE AND EARLY RETIREMENT**

20. Q. ***What is my Normal Service Retirement date?***

A. The first day of any month following your 65<sup>th</sup> birthday.

21. Q. ***Do I have to retire upon attaining Normal Service Retirement age?***

A. No, there is no mandatory retirement age.

22. Q. ***Can I retire before reaching age 65?***

A. Yes, providing certain age and service requirements are met. You may retire after attaining age 60 with a minimum of 5 years of Creditable Service, age 55 with at least 20 years of Creditable Service, any age with 30 years of Creditable Service, or when years of Creditable Service and age total or exceed 85.

23. Q. ***If I terminate employment before I am eligible for early retirement, can I receive retirement benefits later?***

A. Yes, if you have at least 5 years of Creditable Service at termination of employment, you will have a vested benefit payable under provisions of early retirement.

#### **DISABILITY RETIREMENT**

24. Q. ***Does the Retirement System provide for disability retirement?***

A. Yes, if you have 5 years of Creditable Service and are permanently and totally disabled, you may get disability retirement benefits. The determination of disability will be made by the Retirement System Medical Board.

25. Q. ***Must a disability result from an on-the-job accident or occupational disease?***
- A. No, if for any reason you are wholly prevented from engaging in any occupation for wage or profit as determined by the Retirement System Medical Board, you qualify for disability benefits.
26. Q. ***When do disability benefits begin?***
- A. Disability retirement benefits begin after approval of the application by the Board of Trustees. No disability benefits are payable while you are receiving compensation from your Employer.
27. Q. ***How long is a disability pension paid?***
- A. A disability pension is paid as long as you live provided you remain totally disabled to age 65. Benefits may continue to your spouse or beneficiary depending on form of pension elected.
28. Q. ***Once approved for disability benefits, are periodic medical examinations required?***
- A. Yes, you may be required to undergo a medical examination once a year during the first five years and once in every three-year period thereafter.
29. Q. ***Who comprises the Medical Board?***
- A. The Medical Board is composed of three physicians designated by the Board of Trustees.
30. Q. ***What are the functions of the Medical Board?***
- A. The Medical Board makes all medical examinations required by the Retirement System, certifies disability, and reviews the physical conditions of persons on disability retirement when requested by the Board of Trustees.

#### **MONTHLY BENEFIT OPTIONS**

31. Q. ***May I reduce my pension in order to provide a benefit for my spouse or a designated beneficiary?***
- A. Yes, at time of retirement you may elect a joint and survivor pension or a ten-year certain pension.

The joint and survivor pension is a reduced pension payable during your lifetime and continuing to your spouse following your death.

The ten-year certain pension is a reduced pension payable during your lifetime and continuing to your designated beneficiary following your death until a total of 120 monthly payments have been made to the retiree and beneficiary.

32. Q. ***If I elect the joint and survivor form of pension and my spouse predeceases me, will my pension be adjusted?***

A. No, you will continue to receive the reduced pension.

33. Q. ***If my spouse predeceases me following my retirement with a joint and survivor pension and I later remarry, are survivor benefits payable?***

A. No, survivor benefits are payable only to the spouse you were legally married to at time of your retirement.

34. Q. ***If I elect the ten-year certain option, will my pension be adjusted once I have received 120 monthly payments.***

A. No, you will continue to receive the reduced pension.

35. Q. ***If I terminate employment for reasons other than retirement, what options are available?***

A. If you have at least five years of Creditable Service at time of termination of employment, you may elect pre-retirement death benefit coverage. For more information see the *SURVIVOR BENEFITS* section relating to terminated members.

#### **AMOUNT OF BENEFITS**

36. Q. ***What facts are considered in computing my pension?***

A. Your age, Creditable Service, Final Average Compensation, Benefit Compensation Base, and for Joint Survivor benefits, the age of your spouse.

37. Q. ***Will sick leave be used in calculating my pension?***

A. Yes, if you are eligible for retirement at time of termination of employment and you have not been otherwise compensated for your sick leave, a maximum of 25% of your sick leave balance will be used in determining

your final average compensation and the remaining balance will be converted to Creditable Service.

Sick leave will not be used in calculating your pension if you are not eligible for retirement at time of termination of employment.

38. Q. ***How is my Final Average Compensation (FAC) determined?***

A. Add together your wages (including shift differential and excluding overtime and bonuses) from your two (2) highest consecutive years of creditable service plus the value of 25% of your sick leave balance if applicable, then divide the entire sum by two (2). For example, if your two highest consecutive years total \$80,000 and the value of 25% of your sick leave balance is \$4,000, your FAC would be \$42,000 ( $\$80,000 + \$4,000 \div 2 = \$42,000$ ).

39. Q. ***How can I determine my Benefit Compensation Base?***

A. The amount of your Benefit Compensation Base depends upon your year of birth and the year in which you terminate employment. Contact the Retirement System to determine your Benefit Compensation Base.

40. Q. ***Do payments received from Social Security affect my retirement allowance?***

A. No.

41. Q. ***What happens to my accumulated contributions at time of retirement? (Applicable only to members contributing in 1977.)***

A. You may:

a) elect a refund, or

b) elect to use this sum to purchase a supplemental benefit. The amount of this supplemental benefit is based upon interest and mortality tables adopted by the Board of Trustees.

42. Q. ***Are pension benefits adjusted after retirement?***

A. Yes, according to the Consumer Price Index (U.S. city average index) as compiled by the U.S. Department of Labor. The pensions are adjusted annually beginning with the second January 1 following retirement. Annual increases are limited to 5% each year with a cumulative maximum of 25%.

## ABOUT YOUR RETIREMENT BENEFITS

43. Q. ***What documents are required?***

A. You must provide verification of your birthdate. A birth certificate is preferred. Other acceptable documents include a passport, military discharge form, a religious record of birth or baptismal record established or recorded before your first birthday, or verification from the Social Security Administration.

If you elect the joint and survivor option, you must provide verification of your spouse's birthdate and your marriage license.

All documents must be originals or certified copies.

44. Q. ***When should I apply for retirement benefits?***

A. Your application for retirement must be made not less than 30 days and not more than 90 days in advance of the month you wish your retirement to become effective. Retirements are always effective the first day of the month.

45. Q. ***When will I receive my retirement benefits?***

A. Benefits are payable on the last business day of each month, either by direct deposit or check.

46. Q. ***How long are retirement benefits paid?***

A. For the life of a retiree, and may continue to his spouse or beneficiary depending on form of pension elected.

47. Q. ***As a retiree, may I continue my City-sponsored health insurance?***

A. Yes, if you are enrolled in a medical plan through the City of St. Louis at time of retirement, you may continue coverage through the retiree group.

48. Q. ***May I have dues for my City-sponsored health insurance deducted from my retirement check?***

A. Yes, as long as you elect at time of retirement to continue your insurance through the City.

49. Q. ***May I have taxes withheld from my retirement checks?***

A. Yes, you may have Federal and State of Missouri tax withheld.



50. Q. ***Does the Retirement System recognize court orders?***

A. In certain cases, your pension may be reduced by court orders pertaining to matters such as taxes, domestic relations, and child support.

51. Q. ***Is my retirement benefit affected by reemployment?***

A. Your pension will be suspended if you return to work in a position covered by the Retirement System, unless you receive a disability pension, in which case it will be terminated if you work in any capacity, public or private, prior to age 65.

52. Q. ***Is there any residency restriction on a retiree?***

A. No. It should be noted, however, that only retirees residing in the City of St. Louis qualify as candidates for the Board of Trustees.

### **SURVIVOR BENEFITS**

53. Q. ***What survivor benefits are available from the System?***

A. There are many survivor options available to you. They are:

- If you die after you are eligible for retirement, but while you are still employed, your spouse will receive a monthly pension. Benefits are payable only to a spouse.
- If you die as an active employee after completion of 5 years of Creditable Service, but prior to your early service retirement date, your spouse will receive a pension on the date you would have reached your early service retirement date. Benefits are payable only to a spouse.
- If you retire with the Joint and Survivor option, your pension will continue to your spouse following your death.
- If you retire with the 10-Year Certain option and die before the guaranteed 120 monthly payments have been paid, the remaining monthly payments will continue to your designated beneficiary until a total of 120 monthly payments have been made.
- If you terminate employment, elect pre-retirement coverage, then die prior to retirement, your spouse or designated beneficiary will receive a monthly pension on the later to occur of the date of your death or your early service retirement date.

## REFUND OF CONTRIBUTIONS

54. Q. ***How can I withdraw my contributions when my membership in the Retirement System ends?***
- A. You may file an application for refund with the Retirement System.
55. Q. ***Can I withdraw my contributions, if any, while still an active employee?***
- A. Yes, by filing a refund application with the Retirement System.
56. Q. ***On what basis is interest paid?***
- A. The interest rate is determined by the Board of Trustees. Interest is computed and paid annually on the total accumulated contributions that are on deposit for the entire calendar year, provided you are a member for that entire year.
57. Q. ***Are my contributions always refundable?***
- A. Yes, either to you or your beneficiary.

## DEFERRED RETIREMENT OPTION PLAN (DROP)

58. Q. ***When am I eligible for the DROP?***
- A. When you are eligible for retirement as follows:
- Normal Retirement: Age 65 with at least 5 years of Creditable Service
- Early Retirement: Age 60 with at least 5 years of Creditable Service  
Age 55 with at least 20 years of Creditable Service  
Any age with at least 30 years of Creditable Service  
Rule of 85 (age + Creditable Service = 85 or more)
59. Q. ***How long may I participate in the DROP?***
- A. While there is no minimum participation, five years is the maximum. You may elect to enter the DROP only once.
60. Q. ***Does DROP participation affect my vacation leave, sick leave, salary or any other aspect of active employment?***
- A. No.

61. Q. ***How does DROP participation affect my pension?***
- A. You do not earn Creditable Service during DROP participation which may affect your Final Average Compensation.
62. Q. ***Must I retire at the end of DROP participation?***
- A. No, when your DROP participation terminates, you may either retire or continue to work and resume earning Creditable Service.
63. Q. ***When will I have access to my DROP funds?***
- A. At time of retirement.
64. Q. ***What happens to my DROP funds if I die?***
- A. Your DROP funds are payable to your designated beneficiary, or to your estate if there is no surviving beneficiary.

#### **TRANSFER/PURCHASE OF CREDITABLE SERVICE**

65. Q. ***May I acquire Creditable Service for prior public employment?***
- A. If you are vested in the City Retirement System, you may acquire service credit for prior, nonfederal, public sector employment in the state of Missouri by purchasing that service.
66. Q. ***How is the purchase price for prior public employment determined?***
- A. Upon receipt of a non-binding request to purchase service credit for prior public employment, the System's actuary will determine the cost based on the following factors:
- ◆ Years and months of City service;
  - ◆ Years and months of prior public employment to be purchased;
  - ◆ Current age and salary;
  - ◆ Assumptions regarding mortality; and
  - ◆ Assumptions regarding interest, pay increases, and cost-of-living increases.